

H.548

An act relating to tax increment financing districts

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. TAX INCREMENT FINANCING; METRICS; REPORT

(a) On or before December 15, 2018, the Vermont Economic Progress Council, in consultation with the Agency of Commerce and Community Development, the Department of Taxes, the State Auditor, the consulting Legislative Economist, and the Joint Fiscal Office, shall develop metrics to evaluate:

(1) the local economic impact of existing tax increment financing districts and the projected local economic benefits that would result from a newly created tax increment financing district;

(2) the regional economic impact of existing tax increment financing districts and the projected regional economic benefits that would result from a newly created tax increment financing district; and

(3) the statewide economic impact of existing tax increment financing districts and the projected statewide economic benefits that would result from a newly created tax increment financing district.

(b) On or before January 15, 2019, the Vermont Economic Progress Council shall prepare and present to the House Committees on Commerce and Economic Development and on Ways and Means and the Senate Committees

on Economic Development, Housing and General Affairs and on Finance draft legislation incorporating the metrics described in subsection (a) of this section as part of the criteria used to evaluate a municipality's application for a tax increment financing district.

Sec. 2. VERMONT ECONOMIC PROGRESS COUNCIL; ECONOMIC  
DEVELOPMENT; STUDY

(a) On or before January 15, 2019, the Vermont Economic Progress Council, in consultation with interested stakeholders, shall study the creation of a statewide economic development tool that achieves the same goals of the tax increment financing program of promoting economic development and expanding affordable housing, but that does not utilize resources from the Education Fund. The study shall include options for how to sustain such an economic development program in towns with both small and large populations.

(b) The Secretary of Commerce and Community Development shall submit a report to the House Committees on Commerce and Economic Development and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs and on Finance with recommendations on the feasibility of the program described in subsection (a) of this section, and if feasible, how the program would be implemented.

Sec. 3. 24 V.S.A. § 1892 is amended to read:

§ 1892. CREATION OF DISTRICT

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(g) Beginning in ~~2019~~ 2021 and ~~annually~~ every four years thereafter, on or before January 15 of each year, the Joint Fiscal Office, with the assistance of the consulting Legislative Economist, the Department of Taxes, and the Agency of Commerce and Community Development in consultation with the Vermont Economic Progress Council, shall examine the recommendations and conclusions of the tax increment financing capacity study and report created pursuant to subsection (e) of this section, and shall submit to the Emergency Board and to the House Committees on Commerce and Economic Development and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs and on Finance an updated summary report that includes:

\* \* \*

(h) ~~Annually~~ Beginning in 2021 and every four years thereafter, based on the analysis and recommendations included in the reports required in this section, the General Assembly shall consider the amount of new long-term net debt that prudently may be authorized for TIF districts in the next fiscal year and determine whether to expand the number of TIF districts or similar economic development tools in addition to the previously approved districts

referenced in subsection (d) of this section and the six additional districts  
authorized by 32 V.S.A. § 5404a(f).

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.